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PRESS RELEASE

**Government of Anguilla Announces World's First Blockchain Token Offering Registration Process for
"Utility Token Offerings"**

Anguilla (May 4, 2018) for immediate release:

The Government of Anguilla today announced the passage of legislation for the first cryptocurrency regulatory regime for the registration of initial offerings of specified categories of cryptocurrency. The law, called the Anguilla Utility Token Offering Act (or AUTO Act), establishes the world's first registration process for an offering of cryptocurrency.

This Act will facilitate registration of clearly defined "utility tokens" that do not have the features of a security, and that have one or more "utility" features within the issuer's current or proposed blockchain platform. There is currently no country approved regulatory regime specifically for non-securities cryptocurrency offerings.

Recent development in new blockchain digital technologies and platforms—and the international proliferation of "initial coin offerings" (ICOs)—has given rise to a plethora of significant and novel legal issues for governments worldwide. The Government of Anguilla has observed initial coin offerings proliferate worldwide without clear regulation and believes there is opportunity to provide clear guidance for both issuers of these new cryptocurrencies and the purchasing public.

Commenting on the newly enacted AUTO Act, the Honourable Victor Banks, Chief Minister of Anguilla, said: "We believe this new AUTO Act will help Anguilla become the leader in establishing best practices for cryptocurrency offerings, to protect the people of Anguilla and the participating public." Anguilla has a long history with cryptocurrency, beginning with the island nation serving as host for the first International Conference on Financial Cryptography in the 1990s and leading to the first wave of cryptocurrency developers living in, and working from, Anguilla during the early 2000s. "We believe the AUTO Act is a significant step in the right direction," explained Chief Minister Banks, "to provide clearly defined rules and increased safety for the blockchain community." Mr. Bank's thanked all those involved by saying "The legislation was prepared with the active and invaluable assistance of the Anguilla Financial Services Commission, the Companies Registry and the Attorney General Chambers. The Government of Anguilla is deeply appreciative of their contributions." "With the enactment of the AUTO Act, we look forward to the registration of premier blockchain projects in Anguilla in undertaking their utility token offerings."



The Act permits specified Anguillian entities to apply to be registered to conduct a Utility Token Offering when following the disclosure review, approval and registration process for a proposed offering, which includes publication of the entity's official disclosure documents related to the offering. The disclosure document requirements include certain elements that are standard for capital offerings but specifically tailored to these types of projects, including company structure and location, business status, detailed project description, management background, technical and legal description of offered tokens, current ownership, use of proceeds, plans for protecting offering proceeds, anti-money laundering program, and risk factors for purchasing tokens.

The objective is a simple but effective standardized registration and disclosure protocol for blockchain projects wishing to issue utility tokens. The government's goal is to strike a sound balance between meeting the information requirements of the purchasing public, and creating an accelerated but prudent process to meet the needs of the fast-moving blockchain industry.

Anguilla will conduct a regular review of the effectiveness of the new Act, and will propose updates to keep up with the ever-evolving blockchain industry. In order to assist in these amendments, a Utility Token Offering Advisory Committee will be formed consisting of private sector participants from the blockchain field.

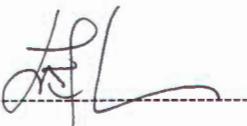
The law was co-authored by Ravi A. Bahadursingh, LL.B, LL.M (International Economic Law), TEP, Barrister (Gray's Inn), an Anguilla finance and tax lawyer with Chancery Lane Chambers, and Randall W. Johnson, Esq., a U.S. finance and blockchain lawyer with Sinnott & Company.

According to Mr. Bahadursingh: "In drafting this Act, we saw that tokens that were in effect "securities" in Anguilla are required to comply with the same Anguillian and international regulatory regime as all other securities offerings. However, there remained a large swathe of non-security tokens with no clear guidance as to how they should be offered to the public. Therefore, we focused our efforts on creating a safe and effective regulatory framework for non-security token offerings."

Blockchain is an emerging technology field that uses so-called "blockchain" technology to create decentralized, trustless (i.e., not required to trust a centralized source for verification), efficient networks for the transfer of value worldwide. Beginning with Bitcoin in 2009, more than 1,200 new blockchain "tokens" have been created for this new technology, to create blockchain networks for a variety of business, financial, governmental, scientific, and social applications. It is reported that more than US\$5.6 Billion was raised in 2017 for new blockchain projects through the issuance of blockchain "tokens" to the public by developers.

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Larry Franklin